

NSC BRIEFING

23 February 1955

PROSPECTS IN JAPAN

State Dept. review
completed

1. Campaign for Japanese Diet election 27 February has provided Moscow an excellent chance to seek a rapprochement with Japan. Prime Minister Hatoyama, who has a record of anti-Communism, is promoting the theme of Japan-Orbit friendship as an election gambit.

A. The USSR on 18 February informed Japan that it was ready to exchange views on normalizing Japanese-Soviet relations at a site suitable to Japan.

B. Moscow approach used Soviet mission in Tokyo as channel, also bypassed Foreign Ministry, went straight to Hatoyama. Maneuver gains de facto status for USSR's "unofficial" mission.

C. Talks are expected following election, probably in New York as Japanese prefer. Japanese UN observer Sawada and Chief USSR representative Sobolev would arrange for full dress discussions. Sawada may head Japanese delegation, Soviet head unknown

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DOCUMENT NO. 29
NO CHANGE IN CLASS. *
DECLASSIFIED
CLASS. CHANGED TO: TS S G
NEXT REVIEW DATE: 2018
AUTH: HR 70-2
DATE: 3/2/84
REVIEWER:

11. Japanese political observers expect 27 Feb election to produce Diet with two-thirds of 467 seats held by conservatives, keeping present conservative-leftist ratio.

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- A. Election is struggle for power between three Japanese groups of fairly equal strength--combined Socialist parties, Hatoyama's Democrats, and Liberal Party (Yoshida-Ogata).
- B. Japan's leading newspaper Asahi with good record accurate prediction past elections gives Democrats 180 seats, Liberals 134, Socialists 135. Reversal present positions of Democrats and Liberals is attributable to:
1. Party in power has traditional advantage in Japanese elections.
 2. Hatoyama's unrestrained advocacy diplomatic, commercial relations with Orbit is getting enthusiastic public response.
 3. Yoshida's Liberals are burdened by scandals, handicapped by "time for a change" sentiment.
- C. Socialists (now 134) likely have difficulty holding strength, any gains will be limited because:
1. Hatoyama's pro-Orbit stand has stolen the Socialists' thunder.
 2. Socialist grassroots --labor students, intellectuals--voting strength already largely exploited.
 3. Communists will take some votes away from Left Socialists.

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D. Communists have only 1 seat now. Asahi has them 3 to 5 seats; largely because well-known JCP leaders who have emerged from underground are candidates.

1. The Japanese have speculated that Moscow might declare end of state of war the day before election; however this would benefit Hatoyama more than the leftists, and may be wishful thinking by Hatoyama's supporters.

III. If the forecasts are correct the post-election government will probably be formed by Hatoyama on basis plurality (Democrats alone) rather than majority (Democrats plus Liberals)

A. With election campaign over, overriding importance of maintaining close ties with the US will reassert itself. Hatoyama, however, will be difficult to deal with as he will seek to avoid charges of subservience which contributed to Yoshida's downfall.

B. Expected that Japan will co-operate with US, but be reluctant to support any US policy which entails sacrifice.

C. Rearmament will have low priority. Hatoyama on record maintaining last years defense budget. Has stated that economic rehabilitation is first priority, has promised reduced taxes and increased welfare benefits. Japan already seeking cuts in Japanese contribution for support of American security forces, which would

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- IV. The next government will proceed with negotiations for restoring diplomatic relations with the USSR.

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B. Aishi, secretary general of Democrats, told Ambassador Allison that Japan would not accept any Soviet demands that would weaken US-Japan ties.

- V. Japan can be expected to move cautiously toward de facto recognition of Peking, and seek reduction controls on strategic trade.

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